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SUBJECT: SERBIA: NEW GMO LAW NOT WTO COMPLIANT, GOVERNMENT PROMISES
TO CHANGE IT, IN TIME

REF: STATE 061159

SUMMARY

11. (SBU) In May 2009, Serbia's parliament adopted a restrictive Genetically Modified Organisms law (GMO), which was not WTO compliant. The Charge expressed our concerns about the law to Serbia's Agriculture Minister Sasa Dragin (Democratic Party, DS) and to Economics Minister Mladjan Dinkic (G-17 Plus). Dragin told the Charge that Parliament passed the GMO Law because of pressure within Parliament and from domestic soybean producers, but assured us that a plan for changing the law would be presented at the July 10th WTO Working Party Meeting. Dinkic said that he would push the Agriculture Ministry to quickly make proposals to amend the law and that amendments to the law could be adopted by Parliament during its next regular session in September. However, Agriculture Ministry officials believe Dragin has no intension to quickly repeal the GMO ban because he wants to protect domestic soybean meal producers. End Summary.

BACKGROUND

12. (SBU) On May 29, 2009 the Parliament adopted fifteen agricultural-related laws including the GMO Law, which prohibited the growing and trading of GMO and products containing GMO for commercial use in Serbia. The Law also prohibited the transit of GMO through Serbia to other countries. The new GMO restrictions are not in line with WTO regulations and will negatively affect Serbia's WTO negotiations if not repealed. The restrictions also surpass those currently imposed by the EU. The scientifically unjustified law also bans import of genetically engineered soybean meal, which was the only biotech product Serbia imported prior to the ban. Serbia was importing up to 120,000 MT of soybean meal annually until 2006. After 2006, imports dropped to about 50-70,000 MT due to reduced livestock production and increased domestic soybean meal production.

GMO BAN NOT PART OF THE ORIGINAL LEGISLATION

13. (SBU) Officials in the Agriculture Ministry and the Economy Ministry's Assistant Minister Bojana Todorovic told us that the new restrictions in the GMO Law were not written into the government approved version of the legislation, but were added later during the parliamentary debate. Our sources told us that during Parliament's discussion, Dragin acquiesced to pressure from the Serbian Radical Party, and banned GMOs. Word of the last minute prohibitions surprised members of the government, including Dinkic. Fellow G-17 Minister Jasna Matic and Todorovic told us that Dinkic raised the GMO law in the weekly government meeting on June 23. A Foreign Agricultural Service-provided WTO advisor to the Serbian government

told us on June 24 that experts who worked with Dragin advised him against the GMO ban but that Dragin did not understand the consequences.

AGRICULTURE AND ECONOMIC MINISTERS PROMISE CHANGES

¶4. (SBU) Charge delivered reftel demarche to Serbia's Agriculture Minister Sasa Dragin (Democratic Party, DS) on June 26. Dragin told the Charge that Parliament passed the GMO Law because of pressure within Parliament and from domestic soybean producers. Dragin said he feared losing his job and provoking "screaming in Parliament" if he had catered to multinational corporations and did not ban GMOs. Dragin denied to the Charge that he had been pressured by Serbian Radical Party members, who traditionally oppose GMOs. Given the immense pressure from the United States, the EU and other WTO members, he said a plan for changing the law would be presented at the July 10th WTO Working Party Meeting. Sources within the Agriculture Ministry informed us on June 29 that Dragin did not plan to change the law in the near future and would try to leave the law in place as long as possible in order to help Serbian companies by restricting GMO imports.

¶5. (SBU) Economics Minister Dinkic told the Charge on June 30 that he would push Dragin to quickly make proposals to the law. To illustrate his determination to resolve the issue, Dinkic invited Prime Minister Cvetkovic's Chief of Staff, Mirjana Jovasevic to the meeting with the Charge in order to facilitate cooperation with the Agriculture Ministry. Dinkic said that any amendments to the law could be adopted by Parliament during its next regular session in

September.

COMMENT

¶6. (U) We are concerned that Dragin may try to avoid making changes to the GMO Law in the near term, in order to win the favor of domestic producers. However, we believe Dinkic's involvement in this issue, and that of the Prime Minister's staff, should now counter any foot dragging by Dragin. We will continue to push all parties for a speedy resolution of this issue. End Comment.

Minimize Considered.
BRUSH